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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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| Proceeding | 91178927 |
| Party | Defendant<br>The Coca-Cola Company |
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| ROYAL CROWN COMPANY, INC., | ) | |
| | ) | OPPOSITIONS |
| Opposer, | ) | NO. 91178927 |
| | ) | NO. 91180771 |
| v. | ) | NO. 91180772 |
| | ) | NO. 91183482 |
| THE COCA-COLA COMPANY, | ) | NO. 91185755 |
| | ) | NO. 91186579 |
| Applicant. | ) | |
| | | |
| THE COCA-COLA COMPANY, | ) | |
| | ) | |
| Opposer, | ) | OPPOSITION |
| | ) | |
| v. | ) | NO. 91184434 |
| | ) | |
| ROYAL CROWN COMPANY, INC., | ) | |
| | ) | |
| Applicant. | ) | |

BRIEF IN OPPOSITION TO
MOTION TO SUSPEND PROCEEDINGS

NOW COMES THE COCA-COLA COMPANY ("TCCC"), the applicant and/or opposer in the above-captioned matters, and, in accordance with Rule 2.127 of the Trademark Rules of Practice and by and through its undersigned counsel, files this brief in opposition to the "Motion to Suspend Proceedings" ("Royal Crown's Motion"), served by Royal Crown Company, Inc. ("Royal Crown") in connection with the above-captioned matters on December 22, 2008.

## INTRODUCTION

TCCC opposes Royal Crown's Motion. There is no reason to unduly prolong the pendency of these cases involving fifteen of TCCC's marks that include ZERO ("TCCC's ZERO Marks") and Royal Crown's PURE ZERO marks. The Board consolidated the above-referenced proceedings and set a revised schedule for the consolidated cases on October 17, 2008. Discovery is set to close on June 2, 2009 and Royal Crown's trial period is set to open on August 1, 2009. If anything, the schedule for these proceedings should be shortened – not extended indefinitely by suspending the proceedings in favor of other Board proceedings that are themselves currently suspended.

Royal Crown's Motion asks the Board to suspend the above-referenced proceedings pending the final determination of the pending opposition proceedings filed by a third party, namely, Companhia de Bebidas das Americas - AMBEV ("AmBev"), against the same applications for TCCC's ZERO Marks that are the subject of the above-referenced proceedings in which Royal Crown is the opposer (the "AmBev Proceedings").[1] The Board recently suspended the AmBev Proceedings in an order dated December 24, 2008, however, in view of certain motions to compel that have

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[1] At the time Royal Crown filed its Motion to Suspend Proceedings, AmBev had only opposed fourteen of the fifteen TCCC applications that have been opposed by Royal Crown. On December 31, 2008, AmBev filed a Notice of Opposition against TCCC's application for the mark POWERADE ZERO, Opposition No. 91188229. As a result, AmBev has now opposed all fifteen of TCCC's applications that are the subject of the instant proceedings, and the fifteenth AmBev opposition will be consolidated with the earlier fourteen.

been recently filed by both AmBev and TCCC. As a result, the earlier-set trial dates that Royal Crown relied on in Royal Crown's Motion have been set aside and will not be reset until resumption of the AmBev Proceedings at an unspecified time in the future.

More importantly, Royal Crown's Motion is a transparent attempt to prolong indefinitely the resolution of these proceedings and to enable Royal Crown to take a "second bite at the apple" in the event that TCCC prevails – as it expects to – in the AmBev Proceedings. Royal Crown and AmBev have been cooperating with each other throughout the course of these proceedings, which began over sixteen months ago, in August of 2007. Rather than delay these proceedings further, it makes far more sense and would be far more efficient for the Board to be in a position to hear and decide both these proceedings and the AmBev Proceedings in the same time frame. That goal would be furthered not by suspension of these proceedings but by keeping them moving forward on a set schedule.

In order to address the issues raised by Royal Crown in its motion and related issues, as identified below, TCCC requests a telephone conference with the Interlocutory Attorney responsible for these cases. TCCC believes that such a conference would be helpful to the parties and to the Board and will help ensure that these cases move forward on a schedule and in a way that is reasonable and consistent with the current status of these cases and the related cases involving TCCC and AmBev.

## ARGUMENT AND CITATION OF AUTHORITIES[2]

Royal Crown's Motion should be denied, for several reasons.

First, suspension of proceedings is not mandatory. The Board has the discretion to decline to suspend proceedings in an inter partes proceeding, especially where – as here – the determination of the other pending proceeding(s) will not be binding on the parties to this proceeding and will not necessarily dispose of the current proceeding. As the Board is well aware, Rule 117(a) provides:

> Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board *may be suspended* until determination of the civil action or the other Board proceeding.

37 C.F.R. § 2.117(a) (emphasis added). While the Board has the authority to suspend proceedings under Rule 117(a), Rule 117(a) does not require suspension. 37 C.F.R. § 2.117(a).

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[2] Royal Crown's Motion contains a "Statement Of Facts" and is accompanied by a declaration of one of Royal Crown's counsel, both of which discuss "facts" that are largely irrelevant to the issues presented and that are erroneous in numerous respects. For example, Royal Crown seeks to raise discovery issues that are not presented by its motion, and complains that TCCC has not produced to Royal Crown the expert report that TCCC has provided to AmBev in the AmBev Proceedings. The documents at issue, however, did not come into existence until several months after the discovery requests that Royal Crown served in the spring of 2008, and Royal Crown overlooks the fact that Royal Crown's counsel advised TCCC's counsel several weeks ago that Royal Crown had in fact obtained from AmBev's counsel copies of TCCC's expert disclosures and expert report. TCCC will not address these irrelevancies further herein, other than to note that Royal Crown's recitation of the alleged "facts" is not only impertinent but is also both unfairly slanted and incomplete.

Suspension of Board proceedings is most commonly ordered in situations where parties to a Board proceeding are also engaged in a civil action in federal court regarding the trademark(s) at issue. TBMP § 510.02(a). In such situations, "judicial economy lies in the suspension of Board proceedings because . . . the Board decision is advisory to the Court, while a U.S. District Court decision is binding on the parties before [the] administrative Board." Black Box Corp. v. Better Box Commc'ns Ltd., Opposition Nos. 107800 & 107801, 2002 TTAB LEXIS 253, at *4 (TTAB March 29, 2002). Thus, it serves judicial economy in such instances for the Board to suspend the Board proceeding until the District Court has resolved the issues in order to avoid conflicting judgments or waste of resources.

Such a situation is not present with respect to the instant proceedings. The AmBev Proceedings involve a third party and are also pending before the Board, not before a federal court. Thus, unlike a civil action in federal court, the Board's ruling in the AmBev Proceedings will not necessarily have a binding effect on the Board's decision in the instant proceedings.[3] Under the scenario envisioned by Royal Crown's Motion, TCCC would first be required to litigate to conclusion the AmBev Proceedings and then – and only then – re-litigate the same issues with Royal Crown.[4]

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[3] Conspicuously absent from Royal Crown's Motion is any offer, agreement or undertaking to be bound by the outcome of the AmBev Proceedings with respect to the registrability of TCCC's ZERO Marks if these proceedings are suspended in favor of the AmBev Proceedings.

[4] Royal Crown acknowledges in its motion that the AmBev Proceedings and these proceedings raise the same issues and that AmBev's and Royal Crown's oppositions have been filed "on the same basis." (Royal Crown Motion at 1). *See also*, e.g., Royal Crown Motion at 2 (AmBev oppositions "based on the same claim of descriptiveness

Given the current status of the AmBev and Royal Crown proceedings, moreover, the two sets of proceedings are clearly moving towards similar schedules for resolution, which will allow the Board to conserve resources and efficiently consider and resolve both sets of cases at the same time. As noted above, the AmBev Proceedings have all been consolidated but are currently suspended, and the parties are in the process of briefing their pending cross-motions to compel. It is therefore unknown when the schedule in those cases will resume. TCCC anticipates, however, that when the schedule in the AmBev Proceedings resumes, the Board may allow time for additional discovery sought in one or more of the motions to compel and only thereafter proceed to AmBev's pretrial disclosures. It is therefore not unrealistic to anticipate that AmBev's pretrial disclosures in the AmBev Proceedings may not be due until the late spring or early summer of this year – which is the same time frame as the schedule currently in place for these proceedings.[5]

Keeping these proceedings on a schedule similar to that in the AmBev cases is especially appropriate given the ongoing cooperation between AmBev and Royal Crown that has characterized these proceedings. Although both AmBev and Royal Crown opposed TCCC's motion, filed in October of 2007, for all of these proceedings to be

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asserted by Royal Crown"), 3 (both Royal Crown and AmBev oppositions "involve the identical issue"), 5 (Royal Crown and AmBev proceedings involve "the exact same marks, the exact same set of facts and the exact same legal questions").

[5] Under the Board's October 17 scheduling order, the discovery period is scheduled to close on June 2, 2009, and Royal Crown's pretrial disclosures will be due on July 17.

consolidated,[6] AmBev and Royal Crown have openly and consistently been in communication regarding these matters throughout their pendency. When Royal Crown took depositions of TCCC witnesses in May of 2008, for example, AmBev's counsel was aware of the depositions and requested copies of the transcripts from TCCC's counsel, even though no public filings indicated that the depositions had been noticed or taken, and later requested consent from TCCC to use the depositions taken by Royal Crown in the AmBev cases. And when TCCC served its expert disclosures in the AmBev cases in September of 2008, Royal Crown's counsel was made aware by AmBev's counsel of the survey that TCCC had conducted and obtained copies of the expert disclosures and report from AmBev's counsel. Given this ongoing cooperation on the part of the two opposers, it makes sense for both cases to continue to progress on comparable schedules.

Keeping both cases on parallel tracks is also the fairest course of proceedings and the most efficient course of proceedings for both the Board and for TCCC. Rather than address the similar proceedings seriatim over many years' time, addressing the AmBev and Royal Crown oppositions on the same time frame will enable TCCC and the Board to achieve economies and efficiencies. Such an approach will also prevent one opposer (Royal Crown) from taking a free ride on the other opposer's (AmBev's) efforts

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[6] TCCC continues to believe that consolidation of the AmBev and Royal Crown cases makes sense and would be the most appropriate approach. TCCC recognizes, however, that the Board has previously considered and denied TCCC's motion requesting that relief. TCCC further notes that in that same order, dated February 29, 2008, the Board also considered – and denied – a prior motion by Royal Crown to suspend these proceedings until another pending Board proceeding (opposition number 91177358) was resolved.

and then re-trying its cases based on the learnings from the AmBev cases. It is in the interests of fairness and judicial economy for all of these related proceedings to be addressed in the same time frame. Such an approach will also eliminate any risk of the possible "inconsistent determinations" by the Board about which Royal Crown professes concern (*see* Royal Crown Motion at 6), and would be fully consistent with the principle that Royal Crown claims to embrace, namely that "it would be most expeditious for both the parties and the Board to try the issue of the descriptiveness [and secondary meaning] of TCCC's [ZERO Marks] at one time rather than piecemeal." Royal Crown Motion at 6.

Moreover, suspending the instant proceedings will only further delay the registration of TCCC's ZERO Marks, to the prejudice of TCCC. TCCC filed its application to register the mark COCA-COLA ZERO on March 10, 2005, and Royal Crown opposed this application on August 14, 2007 – the earliest of the oppositions filed by Royal Crown against TCCC's ZERO Marks. TCCC has patiently abided by the continued consolidations – and schedule extensions – that have marked the past year of these proceedings, but it is now time to move these cases forward to resolution.[7] If Royal Crown's Motion is granted, TCCC will be prejudiced by a continued delay in the issuance of the registrations to which TCCC is entitled for TCCC's ZERO Marks.

Rule 1 of the Federal Rules of Civil Procedure provides that the Federal Rules must be "construed and administered to secure the just, speedy and inexpensive

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[7] As the December 24, 2008 Order in the AmBev Proceedings reflects, the Board has recently embraced this same approach to the AmBev Proceedings by consolidating the newest proceedings but not adopting a new schedule that starts anew the discovery period, etc.

determination of every action." Fed. R. Civ. P. 1. This rule applies to Board proceedings pursuant to 37 C.F.R. § 2.116(a), which provides that "except as otherwise provided, and wherever applicable and appropriate, procedure and practice in inter partes proceedings shall be governed by the Federal Rules of Civil Procedure." Therefore, where a decision to suspend Board proceedings will unnecessarily increase the time it takes to register an applicant's mark and increase an applicant's expenses, the Board is well within its discretion to decline to suspend the proceedings.

Royal Crown made the decision to oppose fifteen of TCCC's applications, and those oppositions have all now been consolidated into a single proceeding. Yet Royal Crown now seeks to pursue delaying tactics in an effort to drag out the instant oppositions and hold off the issuance of the registrations of TCCC's ZERO Marks. Royal Crown does so, moreover, without agreeing to be bound by the outcome of the AmBev Proceedings. Such unfair tactics should not be rewarded by the Board.

TCCC believes that there are several possible approaches to the scheduling of further proceedings in these matters that would serve the interests of all parties. For example, it may make sense to sever the issues relating to Royal Crown's PURE ZERO applications that have been opposed by TCCC and to proceed with only the oppositions by Royal Crown to TCCC's ZERO Marks (which is the approach being taken in the AmBev Proceedings). It also may make sense to suspend the Royal Crown oppositions if Royal Crown agrees to be bound by the outcome of the AmBev Proceedings with respect to the registrability of TCCC's ZERO Marks without a disclaimer of ZERO.

Finally, TCCC also believes that the schedule in these cases could and in fact should be shortened significantly. The parties have had an opportunity to take discovery in these cases for well over a year, since the discovery period in opposition number 91178927 opened in September of 2007, and have completed a significant amount of discovery, including several depositions. TCCC believes that all remaining discovery could easily be completed within the next sixty to ninety days, and that the parties' expert disclosures could be exchanged within the next thirty days. For these reasons, TCCC believes that a telephone conference with the Interlocutory Attorney responsible for these cases would be helpful, as have been the conferences that counsel have had with the Interlocutory Attorney responsible for the AmBev Proceedings.

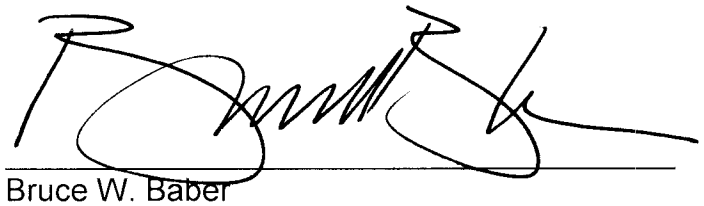
In view of the above, however, TCCC believes that it would be inappropriate to simply suspend these proceedings, as Royal Crown requests. The parties should be permitted to prepare these cases for trial without further delay, and suspension of them at this point – given the current status of both these consolidated proceedings and the AmBev Proceedings – would serve no useful purpose and would be prejudicial to TCCC. There is no compelling reason for the Royal Crown proceedings to be suspended pending the outcome of the AmBev Proceedings, or for the AmBev Proceedings to be suspended pending the outcome of the Royal Crown proceedings. Both sets of cases should proceed towards trial, so that the Board can consider and resolve them at the earliest possible time without affording undue advantage to one party (Royal Crown) at the expense of others (TCCC and AmBev).

## CONCLUSION

For the reasons stated above, TCCC respectfully requests that the Board enter an Order denying Royal Crown's Motion to Suspend Proceedings in the above-captioned matters.

Respectfully submitted, this 6th day of January, 2009.

KING & SPALDING LLP



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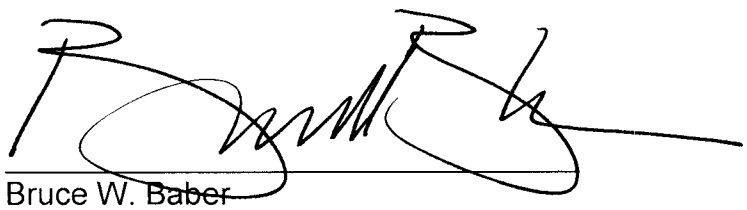
CERTIFICATE OF SERVICE

This is to certify that I have this day served the foregoing Brief In Opposition To Motion To Suspend Proceedings upon Opposer, by causing a true and correct copy thereof to be deposited in the United States mail, postage prepaid, addressed to Opposer's counsel of record as follows:

Ms. Barbara A. Solomon
Ms. Laura Popp-Rosenberg
Fross Zelnick Lehrman & Zissu, P.C.
866 United National Plaza
New York, New York 10017

This 6th day of January, 2009.



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